

Hilton bets on e-gamblers



February 14, 2000: 10:24 a.m. ET

Leading U.K. gaming group unveils online betting, digital TV ventures

LONDON (CNNfn) - U.K. hotel and leisure company Hilton Group on Monday announced plans for its Ladbroke unit, Britain's biggest gaming operator, to launch a series of electronic betting websites to entice online gamblers to its virtual betting tables. The news sent Hilton shares soaring more than 7 percent in London.

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Joining a recent rush into the burgeoning field of e-gambling, Ladbroke on Monday opened bet.co.uk, a U.K soccer-focused betting site, to be followed next week by Ladbrokes.com, which the company described as a "a multi-lingual, multi-currency...tax-free international service" aimed at tapping a mushrooming market for online betting and gaming.

Ladbroke claims to be the leading worldwide brand in a betting and gaming market it estimates to be worth more than 520 billion pounds (\$830 billion) a year. Its online initiatives are part of an ongoing program of investments, partnerships and promotions worth about \$100 million pounds. ♦

Elsewhere in the electronic gambling market, Sports Internet Group last week joined forces with Freeserve - the U.K.'s pioneering free ISP launch by electronics retailer Dixons in 1998 - to create an online gambling service. In other recent deals, William Hill, the number-two betting company set up an offshore betting arm in January. Third-ranked industry player Coral gobbled up Eurobet, acquiring its tax-free Gibraltar base in the process.

Ladbrokes also unveiled a series of partnerships Monday with a roster of "new media" companies. The company hopes to gain access to digital television viewers via an alliance with Open, a satellite TV service backed in part by BskyB, a broadcaster 40-percent owned by Rupert Murdoch's News Corp. Open is also backed by British Telecommunications, banking giant HSBC Holdings and Japan's Matsushita.

In addition, Ladbrokes will team up with the digital arms of telecom firms Cable & Wireless, Telewest and Two Way TV, with an eye on drawing their digital clients to its gaming websites. Nearly 70,000 digital customers currently have access to C&W Communications' interactive services, Ladbrokes said, and of those, a third visit the firm's TV Internet service every day. Ladbroke's agreement with Telewest's new "Active Digital" service aims to draw the 500,000 customers that Telewest hopes to sign up by the end of 2000.

"The series of U.K. partnerships we are announcing today will enable Ladbroke's, the world's leading betting group, to reach a far wider and more affluent audience," Peter George, Hilton group's chief executive, said in a statement.

"Leading with new media advances will enable the Ladbroke brand to reach more than 70 percent of adults who play the (U.K.) national lottery, compared to the current 6 percent of the population who use the betting shops."

Ladbrokes also said it is working with Ericsson to develop a betting service that could be delivered to Ericsson mobile phones.

Chris Bell, Ladbroke's managing director, said bet.co.uk is for sports fans who may not necessarily be acquainted with betting parlors. It is "for people who like sport but don't necessarily understand the difference between 6/4 and 4/1", Bell said in a statement, using the gambling jargon of professional oddsmakers.

Ladbrokes.com, meanwhile, will offer tax-free Internet betting in English Cantonese Chinese, Italian and Spanish. The company said the site is targeted at customers with wider betting knowledge, and will be operated from Gibraltar, where Ladbrokes International has set up an international call center that enable British gamblers to place wagers free of U.K. betting tax.

Ladbrokes cited a recent trade report predicting that annual revenues for internet gambling are likely to triple to \$5.5 billion in Western Europe over the next four years.

Shares of Hilton Group were up 6.7 percent at 171 pence in London Monday afternoon, off earlier highs. Last week, the group plumed four-year lows on the blue-chip FTSE 100 index.

--from staff and wire reports

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